

Rationale for Valuation of equity shares of Yes Bank under 3-year lock-in

This is with reference to Gazette Notification dated 13th March, 2020 issued by Ministry of Finance (Department of Financial Services) notifying “Yes Bank Limited Reconstruction Scheme, 2020” (“YBS 2020”).

As per clause no. 3(8)(a) of YBS 2020, a lock-in period of three (3) years is imposed to the extent of 75% of “Yes Bank Equity Shares (“YBES”)” held by existing shareholders on the date of the commencement of the Scheme i.e. March 14, 2020. These restrictions will apply to all those shareholders who own over 100 YBES.

Following scheme(s) of HDFC Mutual Fund had holdings in YBES as the close of March 13, 2020, 75% of which are locked-in for three years effective March 14, 2020.

<u>Scheme Name</u>	<u>Total Number. of Shares (held as on March 13, 2020)</u> B	<u>Locked -in shares (75% of B)</u>	<u>Market Value of Locked- in Shares as on March 13, 2020 (Rs. in Crore)</u>	<u>% to Scheme AUM</u>
HDFC Children’s Gift Fund	<u>1,436,266</u>	<u>1,077,200</u>	<u>2.75</u>	<u>0.03</u>
HDFC Index Fund-NIFTY 50 Plan	<u>572,932</u>	<u>429,699</u>	<u>1.10</u>	<u>0.30</u>
HDFC NIFTY 50 Exchange Traded Fund	<u>199,735</u>	<u>149,802</u>	<u>0.38</u>	<u>0.01</u>
HDFC Retirement Savings Fund - Hybrid-Equity Plan	<u>56,000</u>	<u>42,000</u>	<u>0.11</u>	<u>0.07</u>
HDFC Dual Advantage Fund - III - 1304D August 2016	<u>8,000</u>	<u>6,000</u>	<u>0.02</u>	<u>0.02</u>
HDFC Dual Advantage Fund - III - 1267D October 2016	<u>5,040</u>	<u>3,780</u>	<u>0.01</u>	<u>0.01</u>
HDFC Dual Advantage Fund - III - 1224D November 2016	<u>4,250</u>	<u>3,188</u>	<u>0.01</u>	<u>0.00#</u>
Total	<u>22,82,223</u>	<u>17,11,669</u>	<u>4.38</u>	

#less than 0.01%

Note:

Post completion of the lock-in period, realisation, if any, of the 75% of the locked-in YBES shall be distributed proportionately to the Unit holder(s) of the respective Scheme(s) based on their unit balance as on March 13, 2020 or as on date of maturity of the respective close ended scheme(s), as applicable.

Such locked-in shares will therefore not have any liquidity for the next three years. Keeping in view the principles of fair valuation guidelines and also ensuring fairness to all Unit holders, it is decided to value the such Yes Bank shares at "Zero" by applying 100% illiquidity discount to the last traded price

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.